

Scarcity and opportunity cost of being a student



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EMatthew Aqui Econ 131-Online Steve Moody 2 November 2012 Scarcity and Opportunity Cost of Being a Student Scarcity and opportunity cost is something that the entire human population faces every day. Without scarcity, opportunity cost would cease to exist and the choices that people will have to make will always be easy because there would be no hard decisions or trade-offs. It is something that impacts society today because the choices that people make will be based on what they need or want.

Whatever they choose to do, they will sacrifice an opportunity cost. Human needs will always be unlimited but the resources needed to meet those needs will always remain limited. But what exactly is scarcity and opportunity cost? First off, scarcity is an economical problem in which people who will always have unlimited wants and needs, will also face a limited amount of resources. Scarcity is something connected to all economical decisions because it is a worldwide problem. People have to make hard choices to decide what to receive and what to discard.

This is where opportunity cost comes in. Opportunity cost is the next best choice that he or she decides not to do because of a better choice. It is something that people give up to get something else that they want even more. From what can be said of scarcity and opportunity cost, both fit in very well together. Scarcity forces people to make tough decisions on limited resources which lead to opportunity cost. Decision making will always be hard when people cannot always have what they want.

Because resources are scarce, people will most likely choose the thing in which they need more. For example, if the price of a PC and a flat-screen HD TV were both on sales, people would have a choice of buying either one. If a

person has enough money for only one, that person has to make a tough decision. If he or she chooses to buy the PC because it was the better alternative due to productivity and daily applications, then the opportunity cost of buying the PC is to not receive the TV and lose the chance to buy the TV at a lower price.

In addition, my personal application of scarcity and opportunity cost is something I can relate to especially as a student in college. College is very expensive especially with the cost rising. But I choose to go to college because of the benefits it provides for me for the future such as receiving a college degree to find a job. My other choice is to not go to school but to start working already. I can save up on money I do not have at the moment and use it to either live off of or save up for college later on. I could also choose to go to school and to work.

The benefits are really great by getting an education and to also have an income. The costs to it is that I have to sacrifice other things such as having a recreational time with friends and family in order to make time for both school and work. At this point, I choose to go to school because I feel that getting an education early and going into the work force as soon as possible is my best option. If I were to work now and not go to school, I would have to wait before I can get my degree and wait even longer before I can find a job in my major.

I feel that by only going to school, I will have more time to study which will benefit me even more by doing well in school. I would have less things to worry about. Scarcity is something that everyone is going to face in their lives whether it's important or recreational. Sometimes we have to sacrifice

certain things to gain the most out of something. We cannot always have everything that we want so we use the concept of an opportunity cost to help us decide which choice is the better one. One way to narrow down our opportunity cost to look at the things we want and the things that we need now.